



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**CITY OF EUPORA, MISSISSIPPI
EUPORA, MISSISSIPPI**

**AUDITED FINANCIAL STATEMENT
SEPTEMBER 30, 2018**

CITY OF EUPORA, MISSISSIPPI
Contents

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statement:	3
Fund Financial Statement:	
Combined Statement of Cash Receipts and Disbursements	4
Notes to Financial Statement	5
Supplemental Information:	8
Schedule of Investments – All Funds	9
Schedule of Capital Assets	10
Schedule of Long-Term Debt	11
Schedule of Surety Bonds for Municipal Officials	12
Special Reports:	13
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	14
Independent Auditors' Report on Compliance with State Laws and Regulations	16
Status of Prior Year Findings	17
Schedule of Findings and Responses	18



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	Stephen D. Flake, CPA
Harry W. Stevens, CPA	John N. Russell, CPA
S. Keith Winfield, CPA	Thomas A. Davis, CPA
William B. Staggers, CPA	Anita L. Goodrum, CPA
Michael W. McCully, CPA	Ricky D. Allen, CPA
R. Steve Sinclair, CPA	Jason D. Brooks, CPA
Marsha L. McDonald, CPA	Robert E. Cordle, Jr., CPA
Wanda S. Holley, CPA	Perry C. Rackley, Jr., CPA
Robin Y. McCormick, CPA/PFS	Jerry L. Gammel, CPA
J. Randy Scrivner, CPA	Michael C. Knox, CPA
Kimberly S. Caskey, CPA	Clifford P. Stewart, CPA
Susan M. Lummus, CPA	Edward A. Maxwell, CPA
Thomas J. Browder, CPA	

Independent Auditors' Report

Honorable Mayor and Board of Aldermen
City of Eupora
Eupora, Mississippi

We have audited the accompanying Combined Statement of Cash Receipts and Disbursements of the City of Eupora, Mississippi, as of and for the year ended September 30, 2018, and the related notes to financial statement, as listed in the contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1 of the financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City of Eupora, Mississippi's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective results of operations – cash basis of the governmental funds and the proprietary fund of the City of Eupora, Mississippi for the year ended September 30, 2018, in accordance with the cash basis of accounting described in Note 1 of the financial statement.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Combined Statement of Cash Receipts and Disbursements of the City of Eupora, Mississippi. The schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials are presented for purposes of additional analysis and are not a required part of the Combined Statement of Cash Receipts and Disbursements.

The schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the Combined Statement of Cash Receipts and Disbursements. Such information has been subjected to the auditing procedures applied in the audit of the Combined Statement of Cash Receipts and Disbursements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Combined Statement of Cash Receipts and Disbursements or to the Combined Statement of Cash Receipts and Disbursements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials, are fairly stated, in all material respects, in relation to the Combined Statement of Cash Receipts and Disbursements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020 on our consideration of the City of Eupora, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The City of Eupora, Mississippi's internal control over financial reporting and compliance.

Eupora, Mississippi
August 14, 2020

Watkins Ward and Stafford, PLLC

BASIC FINANCIAL STATEMENT

CITY OF EUPORA, MISSISSIPPI
Combined Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2018

	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES
	General Fund	MS Home Grant Fund	Total	Water Fund
RECEIPTS				
Property taxes	\$ 420,579	-	420,579	\$ -
Penalties and interest	3,392	-	3,392	33,931
Licenses and permits	47,899	-	47,899	-
Intergovernmental revenues				
Federal receipts	-	-	-	414,725
General municipal aid	7,824	-	7,824	-
State shared revenues:				
Sales taxes	425,633	-	425,633	-
Motor vehicle tax	74,623	-	74,623	-
Fire protection	14,065	-	14,065	-
Charges for Governmental Services:				
Sanitation	129,545	-	129,545	-
Water and sewer	-	-	-	1,076,103
Police	220	-	220	-
Recreation	28,821	-	28,821	-
Fines and forfeitures	27,770	-	27,770	-
Special assessments	-	-	-	2,248
Proceeds from debt	27,628	-	27,628	-
Miscellaneous receipts	107,982	-	107,982	9,030
Total Receipts	<u>1,315,981</u>	<u>-</u>	<u>1,315,981</u>	<u>1,536,037</u>
DISBURSEMENTS				
General government	220,758	-	220,758	-
Public safety	592,303	-	592,303	-
Public works	384,614	-	384,614	-
Culture and recreation	110,140	-	110,140	-
Water and sewer	-	-	-	1,045,858
Interest on debt service	8,141	-	8,141	48,910
Total Disbursements	<u>1,315,956</u>	<u>-</u>	<u>1,315,956</u>	<u>1,094,768</u>
Excess of receipts over disbursements	<u>25</u>	<u>-</u>	<u>25</u>	<u>441,269</u>
OTHER FINANCING SOURCES (USES)				
Redemption of principal	(11,955)	-	(11,955)	(80,825)
Interfund loans and transfers	(491)	-	(491)	491
Total other financing sources (uses)	<u>(12,446)</u>	<u>-</u>	<u>(12,446)</u>	<u>(80,334)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,421)</u>	<u>-</u>	<u>(12,421)</u>	<u>360,935</u>
CASH BASIS FUND BALANCE - Beginning of Year	<u>588,841</u>	<u>53</u>	<u>588,894</u>	<u>949,894</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 576,420</u>	<u>53</u>	<u>576,473</u>	<u>\$ 1,310,829</u>

The accompanying notes to financial statement are an integral part of this financial statement.

CITY OF EUPORA, MISSISSIPPI
Notes to Financial Statement

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Eupora, Mississippi, was formed in 1889 and now operates under a special charter issued by the State Legislature in 1893. The City of Eupora, Mississippi operates under a Mayor-Board of Aldermen form of government and provides services authorized by its charter.

b. Fund Accounting

The accounts of the City of Eupora, Mississippi are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into fund types and categories as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the city of Eupora, Mississippi. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund is the Home Project Fund.

Proprietary Funds

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Proprietary Fund is the Water Fund.

c. Basis of Accounting

The financial statement is prepared on a cash basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received (cash receipts) rather than when earned and certain expenses are recognized when paid (cash disbursements) rather than when the obligation is incurred.

CITY OF EUPORA, MISSISSIPPI
Notes to Financial Statement

Note 1: Summary of Significant Accounting Policies (Continued)

d. Use of Estimates

The preparation of the financial statement in conformity with the cash receipts and disbursements basis, as prescribed by the Office of the State Auditor requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Encumbrances

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders, and contracts.

f. Budgets and Budgetary Accounting

The City of Eupora, Mississippi follows these procedures in establishing the budgetary data reflected in the financial statement:

1. Prior to September 15, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the General and Proprietary Funds.
2. Public notice is given of the City of Eupora, Mississippi's budget meetings being open to the public, so that a public hearing is conducted on the budget.
3. The budget as submitted is reviewed by the Mayor and Board of Aldermen and necessary revisions are made. Then the budget is approved prior to September 30.
4. The budget is formally revised during July of each year or anytime a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year for both the General and Proprietary Fund.
6. Appropriations lapse at the end of each fiscal year.

CITY OF EUPORA, MISSISSIPPI
Notes to Financial Statement

Note 2: Interfund Transfers

Interfund transfers during the year were as follows:

	<u>General Fund</u>	<u>Water and Sewer Fund</u>
Transfers In	\$ -	\$ 491
Transfers Out	491	-
	<u>\$ 491</u>	<u>\$ 491</u>

The above interfund transfer was a transfer from the General Fund to the Water and Sewer Fund.

Note 3: Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Note 4: Subsequent Events

Events that occur after the Combined Statement of Cash Receipts and Disbursements date but before the financial statement is available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Combined Statement of Cash Receipts and Disbursements date are recognized in the accompanying financial statement. Subsequent events which provide evidence about conditions that existed after the Combined Statement of Cash Receipts and Disbursements date require disclosure in the accompanying notes. Management of the City of Eupora, Mississippi evaluated the activity of the city through August 14, 2020, the date the financial statement was approved by the City of Eupora, Mississippi's management and thereby available to be released, and determined that there were no subsequent events that should be noted in the financial statement, except for the event in the following paragraph.

On March 11, 2020, the World Health Organization declared the COVID-19 virus outbreak to be a pandemic. Management has evaluated the potential impact of the pandemic on its business operations. Due to the nature of the operations of the City of Eupora, Mississippi, it is management's opinion that there will be a financial impact related to the COVID-19 crisis; however, a true assessment of the potential impact is premature at this point.

SUPPLEMENTAL INFORMATION

CITY OF EUPORA, MISSISSIPPI
Schedule of Investments – All Funds
September 30, 2018

<u>Type</u>	<u>Bank</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Deposit Amount</u>
Certificate of Deposit	CB&S Bank	1/30/2019	0.20%	\$ 275,838
Certificate of Deposit	CB&S Bank	1/30/2019	0.20%	23,723
Certificate of Deposit	Bank of Kilmichael	9/20/2022	1.35%	156,466
Certificate of Deposit	Bank of Kilmichael	9/20/2022	1.35%	<u>14,289</u>
				<u>\$ 470,316</u>

Fund Recap:

General Fund	\$ 194,478
Water and Sewer Fund	<u>275,838</u>
Total	<u>\$ 470,316</u>

CITY OF EUPORA, MISSISSIPPI
Schedule of Capital Assets
September 30, 2018

General Fund:

	<u>Balance</u> <u>09/30/2017</u>	<u>Additions &</u> <u>Reclassifications</u>	<u>Retirements &</u> <u>Reclassifications</u>	<u>Balance</u> <u>09/30/2018</u>
Land	\$ 585,005	-	-	\$ 585,005
Buildings	2,006,995	-	-	2,006,995
Equipment	1,130,025	69,000	-	1,199,025
Infrastructure	2,734,960	11,460	12,949	2,759,369
Construction in Progress	17,469	12,157	(17,726)	11,900
	<u>\$ 6,474,454</u>	<u>92,617</u>	<u>(4,777)</u>	<u>\$ 6,562,294</u>

Proprietary Fund:

	<u>Balance</u> <u>09/30/2017</u>	<u>Additions &</u> <u>Reclassifications</u>	<u>Retirements &</u> <u>Reclassifications</u>	<u>Balance</u> <u>09/30/2018</u>
Land	\$ 106,399	-	-	\$ 106,399
Machinery and equipment	10,089,292	18,244	1,095,929	11,203,465
Construction in Progress	678,602	417,327	(1,095,929)	-
	<u>\$ 10,874,293</u>	<u>435,571</u>	<u>-</u>	<u>\$ 11,309,864</u>

CITY OF EUPORA, MISSISSIPPI
Schedule of Long-Term Debt
September 30, 2018

	Balance 09/30/2017	Additions	Retirements	Balance 09/30/2018
Bonds Payable:				
USDA G.O. Street Bond	\$ 203,535	-	(11,955)	\$ 191,580
USDA Revenue Bond #9104	126,979	-	(10,293)	116,686
USDA Revenue Bond #9106	130,908	-	(8,590)	122,318
USDA Revenue Bond #9118	406,043	-	(9,309)	396,734
USDA Revenue Bond #9205	130,340	-	(10,191)	120,149
USDA Revenue Bond #9212	422,587	-	(9,407)	413,180
Total Bonds Payable	<u>\$ 1,420,392</u>	<u>-</u>	<u>(59,745)</u>	<u>\$ 1,360,647</u>

Notes Payable:

Bank of Kilmichael - 2018 Ford Explorer	\$ -	27,628	-	\$ 27,628
Regions Bank - Radio Read Meters	38,645	-	(33,034)	5,611
Total Notes Payable	<u>\$ 38,645</u>	<u>27,628</u>	<u>(33,034)</u>	<u>\$ 33,239</u>

CITY OF EUPORA, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2018

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Lamar Dumas	Mayor	MS Municipal Bond	\$ 50,000
Gerald Gary	Alderman	MS Municipal Bond	50,000
Robert Gibbs	Alderman	MS Municipal Bond	50,000
Hugh Gibson	Alderman	MS Municipal Bond	50,000
Howard Rumore	Alderman	MS Municipal Bond	50,000
James Shaw	Alderman	MS Municipal Bond	50,000
Gregg Hunter	Chief of Police	Western Surety	50,000
Gail Newton	City Clerk	Western Surety	50,000
Jenny Hatcher	Deputy Clerk	Western Surety	50,000
Milinda Norwood	Deputy Clerk	Western Surety	50,000
Vickey Patterson	Deputy Clerk	Western Surety	50,000
William Bowen	Park Director	Western Surety	50,000
Casey Henderson	City Marshall	Western Surety	50,000

SPECIAL REPORTS



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA
Thomas J. Browder, CPA

Stephen D. Flake, CPA
John N. Russell, CPA
Thomas A. Davis, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and Board of Aldermen
City of Eupora
Eupora, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the governmental activities, the business-type activities, and the aggregate remaining fund information of the City of Eupora, Mississippi as of and for the year ended September 30, 2018 and the related notes to financial statement, which collectively comprise the City of Eupora, Mississippi's basic financial statement, and have issued our report thereon dated August 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City of Eupora, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Eupora, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Eupora, Mississippi's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Eupora, Mississippi's financial statement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying schedule of findings and responses as item 18-1, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Eupora, Mississippi's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The City of Eupora, Mississippi's Response to Findings

The City of Eupora, Mississippi's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Eupora, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eupora, Mississippi's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Eupora, Mississippi's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eupora, Mississippi
August 14, 2020

Watkins Ward and Stafford, PLLC



WATKINS, WARD and STAFFORD

Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA
Thomas J. Browder, CPA

Stephen D. Flake, CPA
John N. Russell, CPA
Thomas A. Davis, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA

Independent Auditors' Report on Compliance With State Laws and Regulations

Honorable Mayor and Board of Aldermen
City of Eupora
Eupora, Mississippi

We have audited the basic financial statement of the City of Eupora, Mississippi as of and for the year ended September 30, 2018 and have issued our report thereon dated August 14, 2020. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the basic financial statement disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the City of Eupora, Mississippi's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Eupora, Mississippi
August 14, 2020

Watkins Ward and Stafford, PLLC

**CITY OF EUPORA, MISSISSIPPI
Status of Prior Year Findings
For the Year Ended September 30, 2018**

Prior year findings:

- 17-1 The city does not have adequate segregation of duties for internal control purposes.**

As of September 30, 2018, the finding had not been corrected. The city had the same finding in the current year.

- 17-2 The city did not follow proper month and year end closing procedures. Two bank accounts were not properly reconciled to the general ledger at September 30, 2017.**

As of September 30, 2018, the finding had been corrected.

CITY OF EUPORA, MISSISSIPPI
Schedule of Findings and Responses
For the Year Ended September 30, 2018

Section 1: Summary of Auditors' Results

Financial Statement

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued on the primary government financial statement: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | Yes |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. | Noncompliance material to the financial statement? | No |

Section 2: Financial Statement Findings

18-1 Finding

During our audit of the City of Eupora, Mississippi's financial statement, we noted that the city does not have adequate segregation of duties for internal control purposes.

Recommendation

Because it is not practical to hire more employees, all possible controls with a limited number of employees should be established.

Response

The City of Eupora, Mississippi has segregated the duties of the employees and established such internal control procedures as economically feasible considering the number of office employees of the city.